



**THE TEXAS POLICY VOICE FOR HEALTHCARE AND BIOSCIENCE**

October 1, 2020

The Honorable Greg Bonnen, M.D.  
Chair, House Select Committee on Statewide Health Care Costs  
Texas House of Representatives  
P.O. Box 2910  
Austin, Texas 78768

RE: Interim Charge 3

Dear Chairman Bonnen and Honorable Committee Members,

The Texas Healthcare and Bioscience Institute (THBI) is the Texas public policy voice for the healthcare and bioscience industry. Our membership consists of biopharmaceutical companies, research institutions, medical device companies, economic development entities and service companies providing unparalleled networking and synergy to effectively address the public policy needs of Texas' growing life sciences community.

The Texas life sciences industry is committed to expanding the boundaries of science by discovering, developing and delivering innovative and needed medications to patients. It is the patient that is the ultimate beneficiary of such advances. The membership of THBI is dedicated to creating an environment where such discoveries flourish and thrive.

THBI appreciates the opportunity to provide our recommendations as to how the State can reduce the costs of health care while providing ultimate care and treatments for the patients of Texas.

Over the last two legislative sessions, THBI has actively engaged on the state budget rider process, specifically on two key issues. First, we have advocated for the development of a clear process for including prescription drug medications on the Texas Drug Code Index for Medicaid and the Children's Health Insurance Programs and secondly, for a provision providing for notification of new or increased orphan drug rates.

The inclusion of the "clear process" rider has provided for a more transparent process and timeframe for which the Texas Health and Human Services Commission (HHSC) includes prescription drugs on the Texas Drug Code Index. The continued support for the "orphan drug" rider provides for notification of Medicaid coverage and expenditures on Orphan Drugs, drugs which treat life-threatening, rare diseases. In the midst of this pandemic, THBI wishes to communicate our continued support of the adoption and implementation of these policies that bring transparency and advancements in a timely fashion to the health care system.



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As states examine policies to cut health care costs, Texas must not pursue unworkable policies that would mimic current proposed federal initiatives. These proposed policies are known as the “Most Favored Nation” concept and would upend innovation by looking at global models on how to regulate the U.S. drug market. This is a time when America and Texas are turning to and relying on the biopharmaceutical industry for cures and treatments of diseases, particularly while we are in a global pandemic. Texas must support sound policy that continues to encourage innovation and a thriving regulatory and business environment.

Our healthcare system needs to evolve and pay for treatments based on their value to patients, the system, and our society. It’s the biopharmaceutical industry’s mission to find treatments and it is also our responsibility to help patients access them.

Thank you for your leadership on these issues. We look forward to continuing our collaboration during the 87<sup>th</sup> Legislative Session.

Sincerely,

Tom Kowalski  
President & CEO